

**UNITED STATES DISTRICT COURT**  
for the  
Eastern District of Michigan

United States of America

v.

Demario RIDLEY

Case No. 22-mj-30275

**CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 2020 in the county of Wayne in the  
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1341	Mail Fraud
18 U.S.C. § 1343	Wire fraud
18 U.S.C. § 1028A	Aggravated identity theft

This criminal complaint is based on these facts:

See attached affidavit

☒ Continued on the attached sheet.


Sworn to before me and signed in my presence  
and/or by reliable electronic means.

Date: July 28, 2022

City and state: Detroit, MI

  
Complainant's signature

Special Agent Miguel A. Colon  
Printed name and title

  
Judge's signature

Hon. David R. Grand, United States Magistrate Judge  
Printed name and title

**AMENDED AFFIDAVIT IN SUPPORT OF A COMPLAINT**

I, Miguel A. Colon, being first duly sworn, hereby depose and state as follows:

**INTRODUCTION AND AGENT BACKGROUND**

1. I am a Special Agent of the U.S. Department of Labor, Office of Inspector General, Office of Investigations - Labor Racketeering and Fraud (“DOL-OIG/OI-LRF”) and have been since December 2017. I am currently assigned to the Federal Bureau of Investigation (“FBI”) Violent Gang Task Force (“VGTF”), where I participate in investigations of street gangs committing various violations of federal law, including weapons and narcotics trafficking, violent crimes, and fraud. Prior to my current assignment, I was assigned to the Homeland Security Investigations’ Document and Benefit Fraud Task Force, where I investigated criminal activity including, but not limited to, identity theft, money laundering, visa fraud and other financial fraud. I have conducted numerous investigations involving identity theft, labor, financial and unemployment insurance fraud schemes. In addition to my experience, I have also received significant law enforcement training, including graduating from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center.

2. As a Special Agent, I have conducted numerous investigations into criminal violations of both Title 29 and Title 18 of the United States Code. During

this time, I have been either the lead agent or supporting agent on several investigations involving criminal schemes targeting the unemployment insurance (“UI”) program through the filing of false or fictitious UI claims. Based on my direct personal experience with these cases, I have become familiar with the methods that criminals use to attack and exploit the UI systems as well as the criminals’ reliance on the use of email and other internet or online tools and systems to facilitate that fraud.

3. Probable cause exists that **Demario RIDLEY** (DOB: XX-XX-1997) has engaged in an unemployment insurance fraud scheme and has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A). His scheme involves the filing of fraudulent UI claims through the internet, with some of those claims using misappropriated personal identifying information (“PII”) of real persons, and the withdrawal of fraudulently obtained UI funds at ATMs in the Eastern District of Michigan, often using UI debit cards that were sent through the mail.

4. I make this affidavit based upon personal involvement in the subject criminal investigation, including review of: financial, employment, internet service provider, utility and property records; records from relevant state agencies regarding UI claims; law enforcement surveillances; and information and evidence from search warrants in this investigation. I have also been provided with

information from other law enforcement agents and officials, including agents and officials from the FBI and the State of Michigan's Fraud Investigation Unit. This affidavit does not contain all the facts developed to date in the underlying investigation and is being submitted for the limited purpose of establishing probable cause to secure a criminal complaint and arrest warrant.

### **UNEMPLOYMENT INSURANCE BACKGROUND**

5. The Social Security Act of 1935 initiated the federal and state Unemployment Insurance system. The system provides benefits to individuals who are unemployed for reasons beyond their control. The purpose of the Unemployment Insurance system is twofold: first, to lessen the effects of unemployment through cash payments made directly to laid-off workers, and second, to ensure that life necessities are met on a weekly basis while the worker seeks employment. In the State of Michigan, the Unemployment Insurance system is administered by the Unemployment Insurance Agency ("MUIA"), which is part of the State of Michigan's Department of Labor and Economic Opportunity. In the State of Arizona, the UI system is administered by the Department of Economic Security ("DES"). The U.S. Department of Labor funds many Unemployment Insurance Agency administrative costs, including salaries, office expenses, and computer equipment.

6. State unemployment systems and benefits are joint state and federal enterprises largely financed by taxes on private employers located in that state. In 2020 and 2021, the federal government provided significant supplemental benefits to the states as a result of the COVID-19 pandemic. Beginning in or about March 2020 and continuing through September 4, 2021, the Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; and the American Rescue Plan Act of 2021 created federal programs that allowed for the significant outlay of federal funds flowing to and through the states to offset the historic need for unemployment benefits by the American workforce, including in the states of Arizona and Michigan (and in the Eastern District of Michigan). Collectively, these benefits are often referred to as Pandemic Unemployment Assistance (“PUA”).

7. Normally (in the absence of fraud), an unemployed worker initiates an Unemployment Insurance claim. This can be accomplished by submitting a claim in person, over the telephone, or via the Internet. Currently, most Unemployment Insurance claims in Michigan and Arizona are filed online via the Internet through the MUIA and DES websites. When a claimant using an internet protocol (“IP”) address registered in Michigan files a claim with an out-of-state UI agency, the servers used to process those claims are located outside the state of Michigan. For example, an Arizona UI claim filed from an IP address registered to a Michigan

residence will be processed through a server located outside of the state of Michigan.

8. To be eligible for Unemployment Insurance benefits, the worker must demonstrate a certain level of earnings in several quarters immediately preceding the application. The amount of benefits that an Unemployment Insurance claimant might be eligible for depends on a variety of factors, including but not limited to the length of his or her previous employment and the amount of wages he or she earned.

9. The MUIA or DES will either approve or reject an Unemployment Insurance claim based on the application made by the unemployed worker. If the MUIA or DES approves an Unemployment Insurance claim, the claimant is required to re-certify the claim via telephone or Internet at various times during the life of the claim. The worker must also certify that he or she is still unemployed and actively seeking work. One way in which unemployment benefits are provided to a claimant is with a debit card, issued by Bank of America (“BOA”), which is mailed to the claimant through the U.S. Postal Service.

10. Alternatively, a claimant can provide the state Unemployment Insurance Agency with a bank routing number and bank account number so his or her Unemployment Insurance benefits can be transferred via electronic funds transfers (“EFTs”) into his or her bank account. These EFTs originate from one or

more accounts maintained by the state Unemployment Insurance Agency at Bank of America, N.A., which is a subsidiary of Bank of America Corporation, a bank holding and financial holding company headquartered in Charlotte, North Carolina. All EFTs of Unemployment Insurance benefits to Michigan or Arizona Unemployment Insurance claimants, whether via a BOA-provided debit card or via a claimant-provided bank account, involve the transmission of electronic signals through one of BOA's two data centers, which are located in Virginia and Colorado, and from those data centers to banks and/or ATMs located, for example, in Michigan. In addition, any other state that disperses Unemployment Insurance benefits using BOA prepaid debit cards, including Arizona, also involve the transmission of electronic signals through the aforementioned BOA data centers. These are interstate wire communications.

### **PROBABLE CAUSE**

11. The Federal Bureau of Investigation and Bureau for Alcohol, Tobacco, and Firearms have been investigating criminal activity conducted by members and associates of the Detroit street gang, DWBI or "Don't Worry About It." As part of that investigation, I identified DWBI members, associates, and others who appeared to be engaged in unemployment insurance fraud schemes. Through this investigation, I have probable cause to believe that **Demario RIDLEY** engaged in an unemployment insurance fraud scheme that has defrauded

multiple states of thousands of federal dollars earmarked for Pandemic Unemployment Assistance.

12. I identified an IP address, 68.49.22.205 (“IP 205”), responsible for submitting approximately 109 UI claims in 109 unique individuals’ names and Social Security Numbers (“SSNs”). I know from my training and my experience in other UI fraud investigations that a large volume of claims from a single IP address with numerous unique individuals’ names and SSN is indicative of fraudulent UI claims. Based on my experience in other UI fraud investigations, the number of UI claims and the number of unique individuals’ names and SSNs here with this single IP address, *i.e.* 109, is a large volume of claims and unique individuals’ names and SSNs, which provides reason to believe the IP address was used to submit, access and/or modify fraudulent UI claims. To date, approximately \$468,291 in UI benefits has been disbursed on claims connected to IP 205.

13. Agents uncovered the 109 claims linked to IP 205 in part through searches of a DOL-OIG database that contains information related to UI applications and benefits paid. A search in that database for claims filed, accessed or modified using IP 205 indicated that IP 205 is associated with (*i.e.*, the IP address was used to file, access and/modify) UI claims in eight different states. The search results also indicated that the address X02X Greenview Ave, Detroit, MI



48228 was listed as the account mailing address on at least seven of the 109 UI claims connected to IP 205.

14. Agents also learned from subscriber and billing records from Comcast that the service and billing address for IP 205 is X02X Greenview Ave. in Detroit, Michigan, and the subscriber is Conspirator #1, a real person whose identity I know, with an account phone number of 313-XXX-6206.

15. Agents identified that Conspirator #1 was living at X02X Greenview Ave, Detroit, MI 48228, from at least May 2, 2020 through October 9, 2020, which covers the period during which the 109 claims linked with IP 205 were submitted. As further detailed below, agents recovered text messages between **RIDLEY** and Conspirator #1 that discuss filing UI claims.

#### Fraud Indicators

16. Agents reviewed the email addresses, claimant phone numbers, bank accounts and IP addresses related to the UI claims associated with IP 205. Agents found numerous commonalities among the claims, which are strong indicators of fraud. For instance, phone number 313-XXX-1592, was used on 14 separate UI claims in the states of Michigan, Arizona, Guam and Hawaii. A separate phone number, 313-XXX-7897 was used on five separate UI claims in the states of Michigan and Arizona. As previously stated, the claims were all filed under a single IP address. Bank accounts were also used multiple times between claims.

For instance, Green Dot bank account ending X-5128 was used in four of the 109 UI claims. A separate Axos bank account ending X-6937 was used in seven of the 109 UI claims in three different states.

17. Based on my training and my experience with fraud and identity theft schemes targeting state UI agencies, I know that the filing of 109 distinct claims from one IP address in less than a year, with claims within that population having repeat phone numbers and/or repeat bank accounts are strong indicators of an identity theft and unemployment insurance fraud scheme.

June 2021 Search of X02X Greenview Ave

18. On June 11, 2021, agents executed a federal search warrant at X02X Greenview Avenue in Detroit, Michigan. Conspirator #1 and two others were present at the time of the search. Agents seized evidence of identity theft and unemployment insurance fraud inside the house. For example, multiple debit cards corresponding to fraudulent UI claims were found in the house.

19. During the search, agents seized Conspirator #1's cellphone and subsequently obtained and executed a search warrant to search the contents of that phone. On that phone, agents found numerous text messages discussing the filing

of UI claims, including some with **RIDLEY** (some of which are further discussed below).

UI Fraud Associated with **RIDLEY**

20. On May 7, 2020, a Michigan UI claim was filed in the name of Demario **RIDLEY**, using IP 205. The bank account established by the claimant for the deposit of UI benefits was Sutton Bank account ending X-6678. Sutton Bank provided agents with documents related to account X-6678, which I have reviewed. The documents state that the account holder for account X-6678 is Demario **RIDLEY**. The May 7, 2020 Michigan UI claim was approved and \$3,930 was deposited into **RIDLEY**'s account.

21. On June 18, 2020, a fraudulent UI claim was filed in the name of Demario **RIDLEY** in the state of Arizona, using IP 205. The phone number registered by the claimant was 313-XXX-6248. This phone number, although not registered in **RIDLEY**'s name, was used as the claimant's phone number on another fraudulent UI claim connected to **RIDLEY**, further described below. This June 18 Arizona UI claim was approved.

22. On June 19, 2020, \$9,720 in UI benefits was deposited into the debit account, established by the Arizona DES in **RIDLEY**'s name. Also, on or around June 19, 2020, a BOA UI debit card ending in 0191 in **RIDLEY**'s name—corresponding to the June 18 Arizona UI claim filed from IP 205—was mailed to

**RIDLEY**, via the United States Postal Service, to 67XX Mansfield, Detroit, MI 48228. A search of a law enforcement database revealed that 67XX Mansfield is an address associated with **RIDLEY**.

23. Records provided by the Arizona DES showed that **RIDLEY**'s June 18 claim was later flagged as fraudulent by DES due to false employment attestations. Specifically, the DES records stated that there was no history of employment by **RIDLEY** in the state of Arizona.

24. I am able to positively identify **RIDLEY** from a review of known photographs of **RIDLEY**, including a police booking photograph that is provided further below.

25. BOA provided agents with ATM surveillance images of an ATM withdrawal on July 3, 2020 in the Eastern District of Michigan. The withdrawal was from the Arizona UI account set up in **RIDLEY**'s name for his June 18 UI claim. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **RIDLEY**. The image below shows **RIDLEY** making the withdrawal on July 3, 2020, and the adjacent photograph is a booking photo of Demario **RIDLEY** used for comparison purposes.



26. Probable cause exists that **RIDLEY** committed wire fraud and mail fraud in connection with the fraudulent June 18 Arizona UI claim, which contained false attestations of employment. The filing of the claim involved an interstate wire transmission as it was filed via the internet with the Arizona DES, an agency located outside of Michigan, from an IP address in the Eastern District of Michigan, *i.e.*, IP 205. A UI BOA debit card for that fraudulent claim was then mailed to an address in Eastern District of Michigan, which **RIDLEY** used in the Eastern District of Michigan to withdraw fraudulently obtained UI funds at an ATM, which in turn involved interstate wire transmissions with BOA servers.

UI Account in A.B.'s Name

27. On June 18, 2020, an Arizona UI claim was filed in the name, SSN and D.O.B. of A.B., a real person, using IP 205. The address registered by the claimant for the mailing of a BOA UI debit card was 67XX Mansfield, Detroit, MI

48228, the same address used on **RIDLEY**'s fraudulent June 18 Arizona UI claim. The phone number registered by the claimant was 313-XXX-6248, which was also the same phone number listed on **RIDLEY**'s fraudulent June 18 Arizona UI claim.

28. On or around June 19, 2020, a BOA UI debit card ending in 6904 in A.B.'s name was mailed, via USPS, to 67XX Mansfield, Detroit, MI 48228. On June 19, 2020, \$9,880 was deposited into the debit account, established by the Arizona DES, in A.B.'s name.

29. Records provided by the Arizona DES indicated that the claim was later flagged as fraudulent by the DES due to false employment attestations. The DES records stated there was no history of employment by A.B. in the state of Arizona.

30. BOA provided agents with ATM surveillance images of withdrawals made from the UI debit account set up A.B.'s name on June 26, 2020 and July 3, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **RIDLEY**. In addition, the July 3, 2020 ATM withdrawal was made at the same location and at about the same time as the withdrawal from the account set up for **RIDLEY**'s June 18 fraudulent Arizona claim, referenced above. The location and timing supports that **RIDLEY** is responsible for the withdrawals and fraudulent UI claims.

31. Probable cause exists that **RIDLEY** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in A.B.'s name, and his fraudulent use of a UI debit card in A.B.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

UI Account in S.P.'s Name

32. On June 17, 2020, an Arizona UI claim was filed in the name, SSN and D.O.B. of S.P., a real person, using IP 205. The address registered by the claimant for the mailing of a BOA UI debit card was 67XX Mansfield St., Detroit, MI 48228, the same address **RIDLEY** used on other fraudulent UI claims.

33. On or around June 18, 2020, a BOA UI debit card ending in 6342 in S.P.'s name was mailed, via USPS, to 67XX Mansfield St., Detroit, MI 48228. On June 19, 2020, \$9,720 was deposited into the debit account, established by the Arizona DES in S.P.'s name.

34. Records provided by the Arizona DES showed that the claim was later flagged as fraudulent by the DES due to false employment attestations. The records stated there was no history of employment by S.P. in the state of Arizona. On June 1, 2022, I interviewed victim S.P. who is a real person and who said s/he was a victim of identity theft. S.P. stated s/he had not received any UI benefits, did not



file a UI claim outside of Michigan, and did not give permission to anyone to file a UI claim on his/her behalf.

35. BOA provided agents with ATM surveillance images of withdrawals made from this account on June 23, 2020 and June 24, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **RIDLEY**.

36. The picture below is an ATM surveillance image of **RIDLEY** withdrawing fraudulently obtained UI funds using the UI debit card in S.P.'s name on June 23, 2020 in the Eastern District of Michigan.



37. Probable cause exists that **RIDLEY** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in S.P.'s name, and his fraudulent use of a UI debit card in S.P.'s name (that was sent



through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

UI Account in R.H.'s Name

38. On July 8, 2020, a fraudulent Arizona UI claim was filed over the internet in the name of R.H., a real person, using IP 205. The address registered by the claimant for the mailing of a BOA UI debit card was 67XX Mansfield, Detroit, MI 48228, which is the address **RIDLEY** used on his Michigan UI claim and other claims such as those discussed above. On January 6, 2022, I interviewed victim R.H. who is a real person and who said s/he was a victim of identity theft. R.H. stated s/he had not received any UI benefits, did not file a UI claim outside of Michigan, and did not give permission to anyone to file a UI claim on his/her behalf.

Communication Between **RIDLEY** & Conspirator #1

39. Agents found messages between Conspirator #1 and **RIDLEY** regarding UI fraud on Conspirator #1's cell phone that further support **RIDLEY**'s involvement in unemployment insurance fraud. On July 7, 2020, **RIDLEY** sent images to Conspirator #1 of the driver's license and social security card of identity theft victim R.H., referenced above.

40. On July 26, 2020, Conspirator #1 and **RIDLEY** exchanged the following messages, which I believe relate to filing UI claims in California and Ohio:

**RIDLEY:** Is the Cali site down it's not popping up

**RIDLEY:** How you do Ohio

**RIDLEY:** I's the same as the other shit

Conspirator #1: Yes

Conspirator #1: I'm on here

**RIDLEY:** It hung up

### **CONCLUSION**

41. Based on the forgoing, there is probable cause to believe that Demario **RIDLEY** has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343) and aggravated identity theft (18 U.S.C. § 1028A) in connection with a scheme to defraud the federal/state unemployment insurance programs and obtain unemployment benefits by means of false and fraudulent pretenses and representations.

Respectfully submitted,



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Miguel A. Colon  
Special Agent  
U.S. Department of Labor  
Office of Inspector General

Sworn to before me and signed in my presence  
and/or by reliable electronic means.

Date: July 28, 2022



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David R. Grand  
United States Magistrate Judge